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THE CHAIRMAN

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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Honorable Robert Byrd  
United States Senate  
311 Hart Senate Office Building  
Washington, D.C. 20510

93-253

Dear Senator Byrd:

This in reply to your letter of September 14, 1993, on behalf of your constituents Marz Attar, Thomas Attar, Carrie Sanders-Turner, and Ed Christensen. Messrs Attar, Ms. Sanders-Turner and Mr. Christensen are concerned about the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies. Your letter was referred to me because the Office of Plans and Policy is responsible for implementing the competitive bidding provisions of the Budget Act for the Commission.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding i.e., installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital. As we consider the comments filed in the competitive bidding proceeding, I can assure you that we will keep in mind our mandate to ensure economic opportunity for the designated entities, including small businesses and rural telephone companies, as required by the Budget Act.

Sincerely,

Robert Pepper  
Chief  
Office of Plans and Policy

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2 copies

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# United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, DC 20510-6025

4  
3703

September 14, 1993

Ms. Lauren Belvin  
Acting Director  
Office of Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W., Room 855  
Washington, D.C. 20554

Dear Ms. Belvin:

The enclosed communication is respectfully referred for your consideration, since it appears to be a matter that falls within your jurisdiction.

It would be appreciated if you would look into this matter and provide me with comments that may serve as the basis for a reply to my correspondent.

Thank you in advance for your attention to this matter.

With kind regards, I am

Sincerely yours,

*Robert C. Byrd*  
Robert C. Byrd

RCB:lh

September 13, 1993

**CELLULARONE**

Ms. Leslie H. Staples  
Legislative Assistant  
c/o Senator Robert C. Byrd  
311 Hart Senate Building  
Washington, D.C. 20510

1708 Harper Road  
Beckley, West Virginia 25801  
Tel: 304-255-5222  
FAX: 304-252-1095

Dear Ms. Staples:

I want to thank you for meeting with us last week. I am sending you copies of our letters to The Honorable James H. Quello, Chairman, The Honorable Andrew Barrett, and The Honorable Ervin Duggan, all of the FCC.

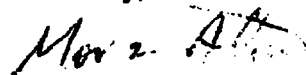
Action is needed by this Thursday, September 16th, 1993 either in the form of a separate letter supporting small business in the PCS ruling, or by signing on the existing Senator Lott and Senator Burns' letter. Their aides are Mr. Chip Pickering and Mr. Donald McClellan, respectively.

As we stressed in our meeting on September the 9th, the reasons for supporting small businesses within West Virginia are many. Among these are that Highland Cellular is locally owned and operated - employing thirty-four people directly and many more indirectly - through tower and site construction, printing, remodeling, signage, and marketing. We supply a quality wireless telecommunications service with over 95% coverage to the people of southern West Virginia. Realistically, the residents of these rural areas would not be a high priority for service by a large national corporation for many years.

The reasons for keeping the revenue in West Virginia are obvious.

We need your support and assistance. Please act quickly. I would appreciate getting some feedback from you as soon as it is convenient. Thank you.

Sincerely,



Marz Attar  
President

September 9, 1993

## CELLULARONE®

The Honorable James H. Quello, Chairman  
Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, D.C. 20554

1708 Harper Road  
Beckley, West Virginia 25801  
Tel: 304-255-5222  
FAX: 304-252-1095

Dear Mr. Quello:

As the majority shareholder and president of Highland Cellular, Inc., I have devoted the past four years of my life, plus my savings and energy, to building a quality cellular communication system in West Virginia 7.

With a background in management consulting -- past partner of Arthur Young & Co., CPA, and Harvard MBA, I moved my family from California to West Virginia so Highland Cellular would have the personal attention necessary for its growth. As a small, locally-owned and operated company we are proud of the effectiveness of the technology in our system (better than 95% coverage of the 270,000 population inhabiting our mountainous RSA) and in the level of customer care we provide. Industry surveys have shown our system and service to be consistently rated far above average by our cellular customers. During the past two years we have built eight towers in our six-county area compared to the one that was erected by our competition, Alltel.

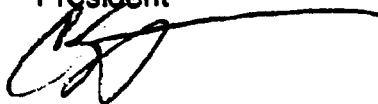
It is the small businesses across America that have developed the existing cellular network. The rural areas of this country would not have cellular now, or even in the next decade, if not for the investment and careful development by the independent entrepreneurs. Bottom line, it would not have been profitable enough for big business as compared to urban market's earning potential. We have the capability, cash flow, and management in place to participate in the evolution of this new PCS technology. We want the responsibility and opportunity to carry out businesses forward without exclusions or prohibitions as to who is allowed to participate in PCS. The American free-enterprise system encourages equal opportunity. We strongly urge you not to give preferential treatment in the upcoming rulemaking to large corporations. It will effectively shut out all independents in the large markets. I cannot state this too strongly. Please consider your position and the fostering of a positive free market carefully.

I speak for all small cellular business owners when I thank you for your attention and assistance.

Sincerely,



Marz Attar  
President



## CELLULARONE

September 9, 1993

The Honorable James H. Quello, Chairman  
Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, D.C. 20554

1708 Harper Road  
Beckley, West Virginia 25801  
Tel: 304-255-5222  
FAX: 304-252-1095

Dear Mr. Quello:

In the past ten years the cellular industry has gone from providing regional service in the major cities to covering all but the most rural areas. How was this possible? A major factor in the development of cellular service were the small businesses. The individuals who won the right to provide service in RSA's were eager to develop their market and see a profit to their investment. These small businesses focused all of their attention on the development of these markets. In comparisons between small businesses and major companies it is clear that the rural areas have been provided with better cellular coverage because of the smaller companies.

The licensing of PCS is a similar situation. Estimates for the development of a nationwide PCS run as high as tens of billions of dollars. Is there any one company which can make this type of investment? No. The answer is to divide the country into regional markets and allow the smaller businesses a chance in the investment and development of PCS. They should not be subject to the whim of a national PCS licensee, but should have equal rights in the development of personal communications service.

Why limit the smaller businesses to the bureaucracy of a huge licensee? A nationwide licensee will be more interested in building the larger, more profitable areas, the smaller rural areas will surely be neglected. As can be seen from the development of cellular, rural areas were neglected by larger companies, depriving the consumer of a competitive business environment. The smaller businesses will be the most sensitive towards the development of their markets. This will give the consumer the best possible service in the shortest amount of time.

I can hardly stress enough the need for small business in the development of PCS. Small businesses must be given a fair chance in the licensing process. The licensing process must not be skewed in favor of the large companies. The small businesses can only compete in the marketplace if they are given a chance in the licensing process. This will ultimately benefit the consumer, as small businesses have the experience and capability to provide the consumer with the best possible service.

Sincerely,



Thomas Attar  
Vice President

**CELLULARONE**

September 9, 1993

1708 Harper Road  
Beckley, West Virginia 25801  
Tel: 304-255-5222  
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Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, D.C. 20554

Dear Mr. Quello:

Small businesses across rural America have developed the existing cellular networks. Realistically, it is impossible for one provider to supply small markets with competitive, quality cellular communications systems especially when the cost-effectiveness is compared to urban markets for potential profitability.

As Advertising Director for Highland Cellular, Inc., I have worked with management, customer care, and sales agents to help interest, inform, and educate our market as to the use and benefits of cellular in all aspects of their lives. We have built awareness, loyalty, and relationships with our customers. I believe we deserve the opportunity to fairly compete with big corporations in a business we have shaped. The new PCS rulemaking must not give big business a competitive edge. We want to participate fully in the evolution of the PCS technology - without limitations or exclusions dictated by a national PCS licensee.

I know I am only an employee, but I believe in the future of the cellular industry, the dedication of the people who have labored toward developing its potential, and the American free-enterprise system. It is not fair or right to deny the small operators the chance to regulate and fully participate in the future development of their industry now that it has proven to be profitable enough for large corporations to want control.

The small business owners took the risks with everything they had. They did the work. They have earned your consideration and protection.

Sincerely,



Carrie Sanders-Turner  
Advertising Director

**CELLULARONE**

September 9, 1993

1708 Harper Road  
Beckley, West Virginia 25801  
Tel: 304-255-5222  
FAX: 304-252-1095

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Federal Communications Commission  
1919 M Street, N.W., Room 802  
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Dear Mr. Quello:

I am Business Manager of Highland Cellular, a major RSA in West Virginia 7. I have participated in the development of our cellular system during the past year.

We proudly provide coverage for over 95% of our mountainous terrain. This is a rural area, populated with small towns and winding country roads. It is a difficult area to cover well. Due to the dedication of our owners and engineers to operate a quality system they have gone to the expense of building eight towers in our six-county RSA.

I don't believe big business would have gone to the expense and trouble that we have to give this kind of coverage in a small, sparsely-populated area. The returns are not great and profits a long-time in coming. It's been an uphill battle to educate people about cellular and create a market. Now that we are in a position to realize the fruits of our labor with PCS, we may find ourselves in a secondary position.

We have invested time, sweat, faith, and energy to build our cellular system. We deserve your consideration when you decide the new PCS rulemaking. Big corporations should not receive preferential treatment or any advantage. We want the opportunity to shape and guide the future of this new technology. We have proven we can do it. Let us build a new industry based on the American principals of hard work and dedication as the means to success - - not who has the most powerful lobby. Please give this matter your serious consideration. We're depending on it.

Sincerely,



Ed Christensen  
Business Manager

09-17-93 07:34AM

FROM SENATOR BYRD WASH.

TO 96327091

F001/007

DET  
90-314

FROM THE OFFICE OF U.S. SENATOR ROBERT C. BYRD

3716.

**FAX COVER SHEET**

DATE: 9/14/93

SENDER'S INITIALS: LHS

TIME: 3:30 p.m.

PAGES (INCLUDING COVER SHEET) 7

PLEASE DELIVER TO:

COMPANY Federal Communications Commission

ATTENTION Office of Legislative Affairs

TELEPHONE NUMBER/EXTENSION 202) 632-6405

FAX NUMBER 202) 630<sup>2</sup>-7092

COMMENTS I understand the comment period on the PCS licensing process ends this Thursday. For this reason, I am faxing a copy of Senator Byrd's letter, which was mailed to you on Tues. Thank you.

U.S. SENATOR ROBERT C. BYRD  
311 HART SENATE OFFICE BUILDING  
WASHINGTON, D.C. 20510

FAX NUMBER (202) 224-4025

FROM Leslie H. Staples

TELEPHONE NUMBER 202) 224-3352



September 14, 1993

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Acting Director  
Office of Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W., Room 855  
Washington, D.C. 20554

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Robert C. Byrd

RCB:lh

09-16-93 07:34AM FROM SENATOR BYRD WASH.

TO 96327092

P003/007

09-14-93 11:36AM FROM HIGHLAND CELLULAR

TO 12022244025

P001

September 13, 1993

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c/o Senator Robert C. Byrd  
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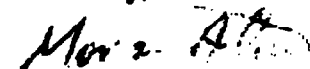
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President

09-10-93 07:34AM FROM SENATOR BYRD WASH.

TO 96327092

P004/007

09-14-93 11:36AM FROM HIGHLAND CELLULAR

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P002

September 9, 1993

**CELLULARONE**

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1919 M Street, N.W., Room 802  
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Vice President

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TO 96327092

P006/007

09-14-93 11:36AM FROM HIGHLAND CELLULAR

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P004

## CELLULARONE

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P005

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